

Beef ban hits home

By **Bill Jackson**

bjackson@greeleytribune.com

Kenny Rogers has projected a 20 percent drop in income from last year.

Ken Ulrich said he is losing \$360,000 annually.

Sam Rovit said his company has had operating losses of nearly \$300 million.

And Brad Anderson said he has noticed a 10 percent drop in visits to his business.

All of that can be blamed, at least in part, on the Japanese ban on U.S. beef first imposed in December 2003 and reinstated in January after the market reopened briefly last December. The four — Rogers is a fourth generation rancher from Yuma, Ulrich is a cattle feeder from Platteville, Rovit is president and CEO of Swift & Co., and Anderson is general manager of Champion Kia of Greeley — discussed the effects of the ban during a Congressional hearing Friday afternoon at the Weld County Courthouse.

Rep. Marilyn Musgrave, R-Colo., was joined by Rep. Dan Manzullo, R-Ill., chairman of the House Small Business Committee, in hosting the meeting. Charles Lambert, acting under secretary of marketing and regulatory programs for the U.S. Department of Agriculture, also testified at the hearing. It was part of a series of meetings hosted by

Musgrave in northern Colorado.

The Japanese market, the largest importer of U.S. beef in the world at the time, was closed when the first case of bovine spongiform encephalopathy — mad cow disease — was discovered in a Canadian-born cow on a Washington state dairy in December 2003. It reopened after two years of negotiations in December 2005, but then slammed shut when a small packing company from New York violated the agreement by shipping veal that contained a backbone. It has remained closed since.

Rogers, whose family sells Angus breeding cattle, said prior to the ban, the U.S. averaged a \$1.4 billion trade surplus. Since then, the country has seen a \$2.4 billion trade deficit.

He estimates the family's bull sale will suffer a \$500 per animal loss.

"Any more hits like this and we won't be able to recover," he said.

Ulrich echoed those sentiments, noting his 60,000-head feedlot has seen a \$7,000 per week loss in premiums because of the closed markets.

Rovit said the Japanese are using a consumer safety argument in keeping the market closed.

"That is patently ridiculous. Japan has recorded 25 cases of

« MORE ON THE EFFECTS OF THE BEEF BAN

« The U.S. lost 64 percent of beef export markets in December 2003 when the first case of mad cow disease was identified.

« The value of that market was more than \$3 billion.

« The closure of export markets to U.S. beef has resulted in a \$10 billion loss to the U.S. economy over the past 2 1/2 years.

« Swift & Co. has laid off 1,000 workers at its Greeley packing plant due to the closure of those markets, representing a gross payroll loss of about \$28 million.

Source: Swift & Co. and USDA

BSE in a herd of 4.5 million. In stark comparison, the U.S. has recorded only two native born cases of BSE within a herd of 96 million," he said.

Anderson said the layoffs at the Swift plant are at least partially to blame for a drop in business.

"When an issue affects the beef industry, either at the Swift plant or upon producers, the entire economy of our surrounding community suffers," he said. "We would encourage Congress to apply pressure to Japan and other Asian countries to open their markets to U.S. produced beef."